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BC Stats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 07-43 October 26th, 2007

- **BC manufacturers less optimistic about fourth quarter prospects**
- **The number of small businesses in BC climbed 11.0%**
- **Retail sales flat in August**

Small Business

- **The number of businesses in British Columbia in 2006 totalled 378,700, about 98% of which were small businesses.** Between 2001 and 2006, the count of small businesses (businesses with 0-49 employees) in the province climbed 11.0%, triple the national growth average of 3.6%. Alberta (+7.6%), and Manitoba (+4.8%) were the only other provinces to exceed the Canadian average. Over the same period, BC's Northeast outpaced the other development regions of the province in growth in the number of small businesses with an average annual growth rate of 6.3%.

  Approximately 1,025,600 jobs in BC were derived from small business last year. This accounted for almost half (47%) of total employment in the province. Small business employment grew for the fifth straight year in 2006, climbing by 1.5%. Both employees of small businesses and self-employed individuals have contributed to the expansion in employment in recent years, although there was a slight decline in the number of self-employed last year (-0.5%). In 2006, self-employment accounted for 19% of total employment, down 0.5 percentage points from 2005.

  With an employment surge of 49.1%, the construction industry was the largest provider of new small business jobs between 2001 and 2006. As a result of the recent construction boom in the province, approximately 25,500 jobs were created in this industry over the five year period. *Data Source: BC Stats, Small Business Profile 2006*

- **BC manufacturers surveyed in October about prospects for the fourth quarter showed wavering confidence as concerns over the soaring Canadian dollar and shortage of skilled and unskilled labour grow.** Fewer than half (43%, *seasonally adjusted*) expected to see little change in production, while 39% anticipated a decrease. Fifty-two percent said that they thought the number of orders received in the fourth quarter would be about right, while a third (33%) expected orders to decline and just 15% predicted an increase. Although most (72%) producers thought that inventory levels would be about right, nearly a quarter (23%) expected them to be too high. Some producers were anticipating big changes in the backlog of unfilled orders, as 28% predicted lower than normal levels. While 60% said employment will be unchanged, 22% thought that improved job prospects were likely over the next quarter while the remaining 18% predicted a decrease.

  Canadian manufacturers were slightly more optimistic, as more expected production prospects to increase (25%) than to decrease (23%). However, 13% of Canadian manufacturers thought inventory levels would be too low, and 22% expected that orders would fall. Job gains (18%) were thought to be slightly more likely than job losses (17%), although most manufacturers (64%) did not anticipate much change in employment prospects. Sixteen percent of Canadian manufacturers surveyed cited skilled labour shortages as a main source of production difficulties. *Data Source: Statistics Canada*

- **Sales by retailers in the province remained relatively flat (-0.1%, *seasonally adjusted*) for the second straight month in August.** Nova Scotia (-0.7%), Manitoba (-0.6%) and Alberta (-0.5%) were the only other provinces where sales declined. Canadian sales increased 0.7%, boosted by solid gains in Alberta (+1.8%), Ontario (+2.0%), Quebec (+0.6%) and parts of Atlantic Canada. New car dealers (+3.0 %) helped

Report An Update on the Minimum Wage in B.C.

Did you know...

15% of Baby Boomer entrepreneurs in BC intend on running their business until they die.

Source: Ipsos Canada

fuel the growth on the national scene.

Data Source: Statistics Canada

- **The number of British Columbians receiving regular employment insurance (EI) benefits dropped 7.1% (*seasonally adjusted*) between July and August, falling to 39,090.** Nationally, the number of EI beneficiaries was down 7.6%, to 488,600. Manitoba (-16.2%) and Quebec (-13.6%) were the provinces that posted the biggest declines, but there were fewer EI recipients in every province except Newfoundland & Labrador (+0.9%). Despite the down-surge over the past month, the number of Canadians receiving EI benefits was only 4.0% lower than in August of last year. *Data Source: Statistics Canada*

- **Sawmills and planing mills in the province produced 13.4% less lumber this August than in the same month last year.** Mills in the Interior slowed their output by 7.1%, while production at coastal mills was halved (-55.0%). Canadian lumber production slipped 12.2%, largely due to a significant downturn in Quebec (-12.7%), Canada's second-biggest lumber producing province. Year-to-date, BC sawmills have accounted for over half the lumber production in Canada. *Data Source: Statistics Canada*

Beer, Wine and Spirits...

- **In 2006, British Columbians aged 15 and over spent an average of $694 on beer, wine and spirits (purchased in beer and liquor stores and agencies), more than in any other province except Quebec ($699) and Newfoundland ($735).** Spending in the territories was even higher ($883 in NWT including Nunavut and $1092 in Yukon). The national average was $652.

  Beer ($298) accounted for the biggest share of spending in BC, followed by spirits ($199) and wine ($197). Nationally, per capita expenditures on beer ($317) were close to the amount spent on wine ($173) and spirits ($162) combined. 2006 marked the second year where sales of wine in dollar terms surpassed sales of spirits in Canada.

  Provincial and territorial liquor authorities earned $4.7 billion from sales of alcoholic beverages in 2006. In BC, sales climbed 2.8% to $808 million. PEI, Nova Scotia, Manitoba and Alberta were among other provinces to post significant increases in revenue over 2005, while Ontario and Saskatchewan recorded the only declines. Quebec saw a whopping increase of 21.4%, due to a return to normal activities after a three-month strike at the Société des alcools du Quebec in 2004/05. Overall Canadian sales were up 4.8%. *Data Source: Statistics Canada*

Health

- **The number of doctors in BC rose from 8,234 to 8,635 between 2002 and 2006, an increase of 4.8%.** Over the same period, the province's population increased at approximately the same pace, such that the number of physicians remained at a constant 199 per 100,000 British Columbians. Over the four-year period, the growth in the number of family doctors in the province was slightly slower than that of specialists (+4.2% and +5.5% respectively).

  The growth in the number of physicians in BC has been primarily due to an increase in the number of Canadian-trained doctors (+6.5%), as foreign-trained physicians increased at a much slower rate (+1.4%). Migration has also affected the province's supply of physicians, with the number of doctors moving abroad dropping considerably (-77.9% from 86 to 19) between 2002 and 2006. Similarly, the number of physicians returning from other countries was three times that of those exiting the province in 2006.

  Between 2002 and 2006, the number of male physicians remained relatively unchanged (+0.5%), while the number of females doctors grew by 14.4%. Female doctors represented 31% of the physician workforce last year, up from 28% in 2002.

  Data Source: Canadian Institute for Health Information

- **Between 2005 and 2006, the number of regulated nurses employed in their discipline increased by 4.8% (from 34,652 to 36,303) in BC.** Of the 23,913 graduates of British Columbia nursing programs employed in Canada last year, 92.2% worked in BC. An additional 4.2% were employed in Alberta and 1.7% in Ontario.

  Data Source: Canadian Institute for Health Information

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For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Contact: Karen Kirby
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Originally published in
Earnings and Employment Trends Issue 07-09

An Update on the Minimum Wage in B.C.

What is the Minimum Wage in BC?

In a series of incremental increases between 1998 and 2001, the minimum wage in British Columbia increased from $7.00 to $8.00 per hour.

Although BC's official minimum wage is $8.00, in November 2001, the province introduced a special wage of $6.00 for inexperienced workers. This wage rate (commonly referred to at the "training wage") applies to employees who had no paid employment prior to November 2001 and have accumulated less than 500 hours of paid employment with one or more employers.

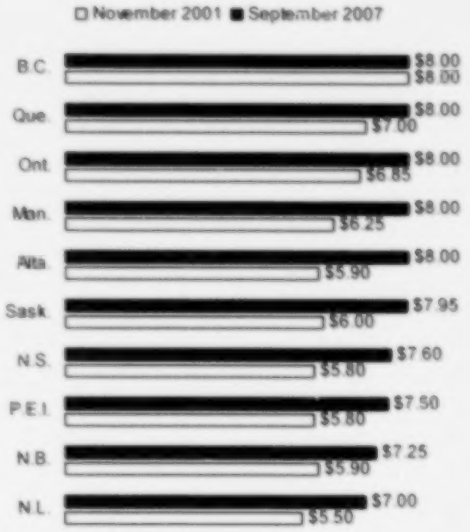
How Does BC's Minimum Wage Compare to Other Provinces?

When the final increase to $8.00 per hour became effective in November 2001, BC's minimum wage was $1.00 higher than the next highest provincial minimum wage in Canada. At that time, six out of ten Canadian provinces had a minimum wage of $6.00 or less. The difference between the highest provincial minimum wage and the lowest provincial minimum wage was $2.50.

Since 2001, minimum wage increases in other provinces have eroded that differential. Now, the difference between the highest provincial minimum wage and the lowest provincial minimum wage is just $1.00.

As of September 2007, the minimum wage is $8.00 per hour in five out of ten Canadian provinces. Ontario plans to increase its minimum wage to $8.75 in March 2008. When that increase becomes effective, BC will no longer have the highest provincial minimum wage in Canada.

The minimum wage is $8.00 per hour in five provinces

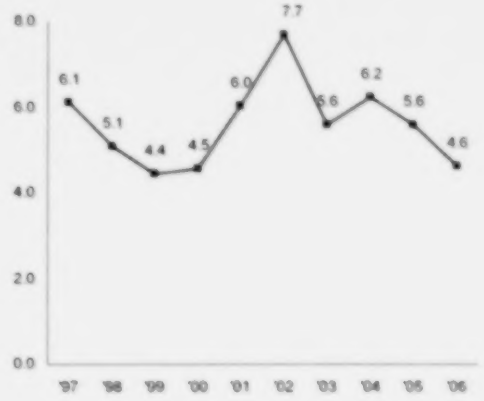


Source: Human Resources and Social Development Canada

How Many Workers are Earning the Minimum Wage?

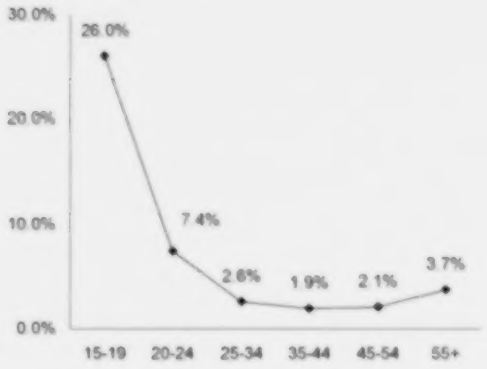
In 2006, 4.6% of employed workers in BC earned the minimum wage or less. This equates to roughly 82,000 employees. Statistics Canada began collecting earnings information via the Labour Force Survey in 1997. The proportion of employed workers in BC earning the minimum wage or less increased in 2002, but has since returned to prior levels.

The share of minimum wage earners in BC has fluctuated over time



Source: Statistics Canada, Labour Force Survey

The percentage of employed workers earning the minimum wage declines with age



Source: Statistics Canada, Labour Force Survey, custom tabulation

Who are the Most Likely to Earn the Minimum Wage in BC?

The likelihood of earning the minimum wage[1] in BC varies across different groups.

Women are almost twice as likely as men to earn the minimum wage; 6% of women earned the minimum wage in 2006, while just over 3% of men earned the minimum wage.

The probability of earning the minimum wage is highly correlated with age. The likelihood of earning the minimum wage decreases sharply after age 19, but rises slightly as workers approach their 50s.

There are various reasons why so many youth earn the minimum wage. Youth have higher rates of part-time and seasonal work while they pursue their education, and are more likely to be employed in industries that traditionally pay low wages. For example, in 2006, 24% of employed 15-24 year olds worked in retail trade, and 21% worked in accommodation and food services. In contrast, only 10% of workers aged 25 and over worked in retail trade, and 5% in accommodation and food services.

The percentage of employed workers who earn the minimum wage is also strongly related to educational attainment. In 2006, just over 14% of workers with less than high school earned the minimum wage. Only 5% of high school graduates earned the minimum wage, and less than 3% of those with some post-secondary education earned the minimum wage.

The length of time an employee has worked at his or her job also impacts the likelihood of earning the minimum wage. Ten percent of workers employed in their current positions for one year or less earned the minimum wage in 2006. Workers employed in their current position for one to five years were half as likely to earn the minimum wage, while those who were employed in their current position for five years or more were ten times less likely to earn the minimum wage.

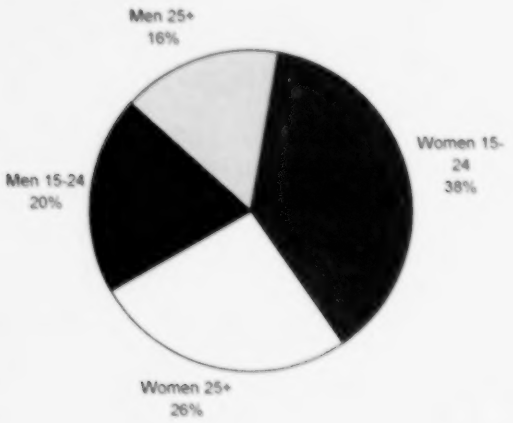
[1] Throughout this article, reference to minimum wage earners includes those who earn less than the minimum wage.

By industry, the employees most likely to earn the minimum wage in 2006 worked in accommodation and food services (15.6%), and agriculture (13.1%). Workers in construction, health care and social assistance, and professional, scientific, and technical services were the least likely to earn the minimum wage (rates were 1.3%, 1.3%, and 1.4%, respectively).

Who are Most of BC's Minimum Wage Earners?

Almost two-thirds (64%) of BC's minimum wage earners in 2006 were women. Teenagers (age 15-19) accounted for 38% of all minimum wage earners in 2006, and youth (age 15-24) accounted for 58%. The remaining 42% of minimum wage earners were spread relatively evenly across the older age groups.

Women and youth make up a large share of all minimum wage earners



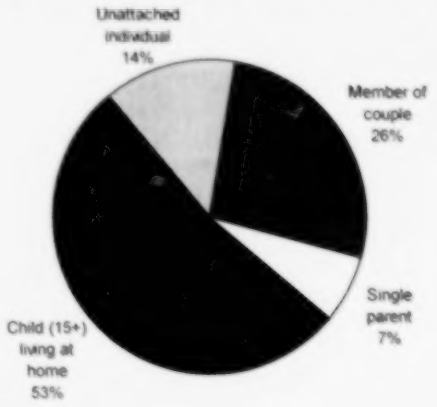
Source: Statistics Canada, Labour Force Survey, custom tabulation

Ninety percent of minimum wage earners were employed in the service-producing sector, with accommodation and food services (30%) and trade (28%) making up significant portions of all minimum wage earners.

Small firms (less than 20 employees) accounted for more than their share of all minimum wage earners in 2006; 37% of minimum wage earners were employed in firms with less than 20 employees, yet these firms only employed 23% of all workers in BC.

The majority of minimum wage earners in 2006 did not have dependents. Over half of all minimum wage earners were sons or daughters living at home with their parents. A further 14% of minimum wage earners were living unattached, either alone or with non-relatives.

Two thirds of minimum wage earners live with their parents or are unattached



Source: Statistics Canada, Labour Force Survey, custom tabulation

Approximately one-quarter of minimum wage earners in 2006 had a spouse or common-law partner. In 4 out of 5 cases, the minimum wage earner's spouse was also employed.

In 2006, 12% of minimum wage earners (approximately 9,900 employees) were sole-income earners supporting at least one dependent. Of these, 9,200 were supporting one or more children under the age of eighteen.

Data source: Statistics Canada, Labour Force Survey. Hourly wage rate includes tips and commissions.

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Refreshments will be served throughout the day.

JC

REGISTRATION

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Refund Policy—Registrations are guaranteed once payment is received. Fees will be refunded, less $75 administration charge, if written notice is received at least 3 business days prior to the workshop. Substitutions are permitted at any time. Group rates are also available.

Return form with payment to:
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also on the Internet at www.bcstats.gov.bc.ca

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BC at a glance . . .

POPULATION (thousands)	Jul 1/07	% change on one year ago
BC	4,380.3	1.4
Canada	32,976.0	1.0
GDP and INCOME (Released Apr 25)	2006	% change on one year ago
(BC - at market prices)		
Gross Domestic Product (GDP) *($ millions)*	179,701	6.4
GDP *($ 1997 millions)*	150,741	3.6
GDP *($ 1997 per Capita)*	34,971	2.3
Personal Disposable Income *($ 1997 per Capita)*	21,984	4.8
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Aug	3,636	0.9
Merchandise Exports - Aug	2,480	-5.8
Retail Sales - Aug	4,727	-0.1
CONSUMER PRICE INDEX	% change on one year ago	12-month avg % change
(all items - Sep 2007)		
BC	1.9	1.8
Vancouver	2.1	2.2
Victoria	1.2	1.2
Canada	2.5	1.9
LABOUR FORCE (thousands)	Sep '07	% change on prev. month
(seasonally adjusted)		
Labour Force - BC	2,370	0.4
Employed - BC	2,267	0.0
Unemployed - BC	103	9.3
		Aug '07
Unemployment Rate - BC *(percent)*	4.3	4.0
Unemployment Rate - Canada *(percent)*	5.9	6.0
INTEREST RATES (percent)	Oct 24/07	Oct 25/06
Prime Business Rate	6.25	6.00
Conventional Mortgages - 1 year	7.25	6.40
- 5 year	7.44	6.80
US-CANADA EXCHANGE RATE	Oct 24/07	Oct 25/06
(avg. noon spot rate) Cdn $ per US $	0.9712	1.1248
(closing rate) US $ per Cdn $	1.0319	0.8883
AVERAGE WEEKLY WAGE RATE	Sep '07	% change on one year ago
(industrial aggregate - dollars)		
BC	754.74	3.4
Canada	766.03	4.1

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

2006 Census Profiles

We have launched our new series of profiles. Our lookup screens are still under construction but we have provided access through a name list. Census tract profiles will be offered soon. We have also improved the access to the 2001 Census Profiles.

www.bcstats.gov.bc.ca/data/cen06/profiles/detailed/choose.asp

Small Business Profile

A joint product of BC Stats, the Ministry of Small Business and Revenue, Small Business BC and Western Economic Diversification Canada, this annual publication provides a profile of BC's small businesses, including number of businesses, employment and GDP.

www.bcstats.gov.bc.ca/data/bus_stat/busind/sm_bus.asp#sbp

BC High Technology Profile

The 2007 Edition of the high technology profile looks at the sector in BC through an examination of key indicators such as GDP, revenue, employment, wages and salaries, establishment counts and international trade. It also offers comparisons with other provinces and US states to give a picture of the relative size of BC's industry.

www.bcstats.gov.bc.ca/data/bus_stat/busind/hi_tech.asp

Released this week by BC Stats

- No subscription releases

Next week

- Business Indicators, October 2007
- Current Statistics, October 2007
- Labour Force Statistics, September 2007
- Earnings & Employment Trends, Sept. 2007

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